

*Annual Report*  
**Satellite Metal Mines  
Limited**



*For the Year Ended  
December 31st, 1967*



AUTHORIZED  
CAPITALIZATION

\$5,000,000 divided into 5,000,000 shares  
of the par value of \$1.00 each

DIRECTORS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - TORONTO, ONTARIO  
PHILIP E. BOYLEN - - - - - WILLOWDALE, ONTARIO  
CHARLES B. BRANNIGAN - - - - - TORONTO, ONTARIO  
D. W. GORDON - - - - - TORONTO, ONTARIO  
GORDON L. MOORE - - - - - ISLINGTON, ONTARIO  
GORDON F. PUSHIE - - - - - ST. JOHN'S, NEWFOUNDLAND  
KEITH A. WALKER, C.A. - - - - - FAIRPORT BEACH, ONTARIO

OFFICERS

M. J. BOYLEN, D.C.L., D.Sc. - - - - - PRESIDENT  
D. W. GORDON - - - - - VICE-PRESIDENT  
GORDON L. MOORE - - - - - SECRETARY-TREASURER  
CHARLES B. BRANNIGAN - - - - - ASSISTANT-SECRETARY

TRANSFER AGENT  
AND REGISTRAR

GUARANTY TRUST COMPANY OF CANADA  
Toronto, Ontario and Montreal, Quebec

AUDITORS

SNYDER, CRAIG & Co.  
Chartered Accountants  
330 Bay Street  
Toronto, Ontario

HEAD OFFICE

Suite 908 - 330 Bay Street  
Toronto, Ontario

SATELLITE METAL MINES LIMITED



# Satellite Metal Mines Limited

## *Directors' Report*

### TO THE SHAREHOLDERS:

The financial statements of the Company for the fiscal year ended December 31, 1967, notes relevant thereto and the Report of the Auditors, are submitted herewith.

The Company was active during 1967 with exploration programme centred mainly in the Province of Quebec. A brief resume of work carried out in the year and proposed for 1968 field season follows:

#### SHAKESPEARE TOWNSHIP, DISTRICT OF SUDBURY, ONTARIO

The unpatented mining claims held in Shakespeare Township were permitted to lapse because of lack of encouragement obtained in the work programme carried out on them in 1966. A freehold parcel (17 acres) adjoining these claims is still retained but no work is contemplated on it at this time.

#### GAUTHIER TOWNSHIP — LARDER LAKE MINING DIVISION, ONTARIO

The very recent discovery of Kimberlite, the host work for diamonds, on the lower levels of the Upper Canada gold mine has created great interest in the Kirkland Lake area. Your Company has acquired by option a group of seventeen claims adjoining Upper Canada Mines Limited on the west. Exploration work on these claims is planned for early spring.

#### ALBANY RIVER AREA, SAULT STE. MARIE MINING DIVISION, ONTARIO

A group of 13 claims were staked to cover an airborne magnetometer anomaly of unusually high intensity. As the area is entirely overburden covered, the cause of the anomaly is not known except that it is probably caused by a concentration of magnetic iron. As it could have valuable base metals associated with it, we plan to carry out ground investigation as soon as conditions permit.

#### PARISH OF NORTHESK, NEW BRUNSWICK

No work was done on the New Brunswick claims during 1967 largely because of commitments in other areas, however, the ground was maintained in good standing. Further work is warranted on the testing of Induced Polarization survey anomalies disclosed during our work in late 1965. Large sulphide bodies are known to exist on the claims but to date none of our drill holes have cut ore grade in lead-zinc and/or copper.

#### LETELLIER TOWNSHIP, SAGUENAY COUNTY, QUEBEC

A group of 20 claims were staked on an airborne radiometric anomaly in Letellier Township, Saguenay County, Quebec, a short distance east of Sept Iles. There are known uranium occurrences in the area that are mostly small but very high grade. For this reason considerable importance is attached to the group and detailed field work is planned to commence as soon as ground conditions permit.

## BAIE JOHAN BEETZ URANIUM AREA, QUEBEC

As previously reported, the Company owns a group of 50 mining claims in Desherbiers Township in Duplessis County along the north shore of the Gulf of St. Lawrence about 200 miles east of the City of Sept Iles.

A large programme of surface prospecting was carried out on these claims during the summer of 1967 following an airborne radiometric survey. A large number of anomalies were disclosed by the survey and the ground follow-up indicated they were mainly caused by uranium mineralization in granitized sediments over extensive areas. The grade of this mineralization was not impressive in surface rock exposures but subsequent blasting of trenches and test pits established that ore grade material does exist at depths of two or three feet, below the zone of surface oxidation. The principal ore mineral, uraninite, is readily identifiable in freshly blasted hand specimens. In one area that has been extensively trenched, there are sufficient indications to warrant a continuation of the test pitting programme and probably some form of test drilling during the summer of 1968. Sufficient work has now been done to keep the claims in good standing for at least two years.

## MISCELLANEOUS PROSPECTS — MANITOBA

A high intensity magnetic anomaly in northeastern Manitoba was examined and checked with electromagnetic equipment. Due to heavy overburden conditions, the magnetic source was too deeply buried to respond to the type of equipment used. A further test is planned for later this year.

## GENERAL

The Company retains in good standing its mining property at Montauban les Mines in the Province of Quebec, comprising an area of approximately 760 acres. This plant has been idle for many years and from time to time equipment has been sold. During the year it was decided to completely salvage the buildings and equipment and decrease to a minimum the cost of taxes, caretaker services and carrying charges. The resultant net value on the books of the Company after application of salvage income, together with the expenses incurred on the property to date, has been written off to the deficit account.

During the year a rights offering was made to shareholders resulting in 295,572 shares being issued to net the treasury \$88,672.00.

On behalf of the Board of Directors,

M. J. BOYLEN,  
President.

Toronto, Ontario.  
March 20, 1968.



# Satellite Meta

(Incorporated under the laws of the Province of Ontario)

## Balance Sheet—

(With comparative figures for the year ended December 31, 1966)

ASSETS		1967	1966
CURRENT		\$	\$
Cash		17,039	13,834
Bank deposit receipts		50,000	—
Accounts receivable		3,687	9,740
Prepaid expenses		790	790
		<u>71,516</u>	<u>24,364</u>
INVESTMENTS			
Shares of other mining companies having a quoted market value, at cost (Note 1) (Quoted market value \$22,059 — 1966 \$13,655)		64,890	64,890
Shares of other mining companies, at nominal value (1966 at cost)		1	7,978
		<u>64,891</u>	<u>72,868</u>
FIXED			
In the Province of Quebec, at cost:			
18 Mining claims and 1 mining concession in the Townships of Montauban and Chavigny		671,606	671,606
Land		2,950	2,950
Buildings and equipment		—	421,799
50 Mining claims in the Township of Desherbiers and projected Township 1075		3,442	—
20 Mining claims in the Township of Letellier, Electoral District of Duplessis		1,352	—
In the Province of New Brunswick, at cost:			
1 Mining license in the Parish of Northesk, County of Northumberland		21,371	21,371
In the Province of Ontario:			
25 Unpatented mining claims in the Townships of Shakespeare and Hallam, Sudbury Mining Division, at cost		—	4,937
Options on properties, at cost (Note 2)		1,340	—
Miscellaneous properties, at nominal values		2	2
		<u>702,063</u>	<u>1,122,665</u>
MISCELLANEOUS AND DEFERRED			
Material and supplies on hand, at cost		—	18,673
Mine development expenses		89,460	1,371,012
		<u>89,460</u>	<u>1,389,685</u>
		<u>927,930</u>	<u>2,609,582</u>

Approved on behalf of the Board,

M. J. BOYLEN, Director.

G. L. MOORE, Director.

# Mines Limited

(In accordance with the laws of Ontario)

As at December 31st, 1967

(For the year ended December 31st, 1966)

## LIABILITIES

CURRENT	1967 \$	1966 \$
Accounts payable and accrued liabilities .....	5,840	457

## SHAREHOLDERS' EQUITY

### CAPITAL STOCK

#### Authorized:

5,000,000 Shares of \$1 par value ..... \$5,000,000

#### Issued:

4,048,083 Shares (Note 3) .....	4,048,083	3,752,511
Less: Discount thereon .....	2,191,900	1,985,000
	<u>1,856,183</u>	<u>1,767,511</u>

### CONTRIBUTED SURPLUS

Balance, end of year, unchanged .....	1,434,029	1,434,029
	<u>3,290,212</u>	<u>3,201,540</u>

### DEFICIT

Balance, beginning of year .....	592,415	540,520
Add: Expenses incurred on the property situated at Montauban les Mines, Quebec, from 1953 to date .....	964,643	—
Loss on disposal of fixed assets and supplies at the above property .....	432,005	—
Administrative expenses, 1953 to date .....	337,102	—
Mining claims abandoned .....	4,937	5,242
Expenses on mining claims abandoned .....	29,043	35,724
Outside exploration .....	—	10,929
Investment valuation adjustment .....	7,977	—
	<u>2,368,122</u>	<u>592,415</u>
	<u>922,090</u>	<u>2,609,125</u>

The Notes Attached Form an Integral Part of these Financial Statements.

	<u>927,930</u>	<u>2,609,582</u>
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Submitted with our Report to the Shareholders dated February 9, 1968.

SNYDER, CRAIG & CO.

Chartered Accountants.

**SNYDER, CRAIG & CO.**

CABLE ADDRESS "JNOCRAIG"  
TELEPHONE EMPIRE 6-9444

CHARTERED ACCOUNTANTS

330 BAY STREET

**TORONTO**  
CANADA

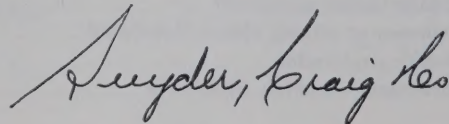
To the Shareholders of

SATELLITE METAL MINES LIMITED,

Toronto, Ontario.

We have examined the Balance Sheet of Satellite Metal Mines Limited as at December 31, 1967, and the Statements of Mine Development, Mine Overhead and Administrative Expenses and Source and Application of Funds for the year ended on that date and the Notes to the Financial Statements. Our examination included a general review of accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the attached Balance Sheet and Statements of Mine Development, Mine Overhead and Administrative Expenses and Source and Application of Funds and the Notes to the Financial Statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations for the year ended on that date. The aforementioned Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year except that the investment in escrowed shares of other mining companies has been written down to nominal value and mine development and mine overhead expenses incurred on the mining property at Montauban les Mines, Quebec, and administrative expenses from 1953 to date have been written off and with which we concur.



Chartered Accountants.

February 9, 1968.



# Satellite Metal Mines Limited

## STATEMENT OF MINE DEVELOPMENT, MINE OVERHEAD AND ADMINISTRATIVE EXPENSES

For the year ended December 31, 1967  
(With comparative figures for 1966)

	1967 \$	1966 \$
Balance, beginning of year .....	1,371,012	1,299,565
<b>MINE DEVELOPMENT EXPENSES</b>		
Assays .....	183	581
Consulting fees .....	1,643	1,635
Diamond drilling .....	—	59,045
Geophysical surveys .....	1,376	9,751
Line cutting .....	1,783	5,059
Maps and blueprints .....	1,452	1,245
Surface exploration .....	15,777	15,800
	<u>22,214</u>	<u>93,116</u>
<b>MINE OVERHEAD EXPENSES</b>		
Fire protection, watchman and other shutdown expenses .....	4,256	3,896
Mining licenses .....	846	1,046
Property taxes .....	2,288	3,559
	<u>7,390</u>	<u>8,501</u>
<b>ADMINISTRATIVE EXPENSES</b>		
Advertising .....	273	—
Corporation taxes .....	86	145
Directors' fees .....	2,100	1,400
Filing fees .....	560	735
General expense .....	376	111
Head office administration .....	2,550	1,200
Legal and audit .....	4,980	1,000
Listing and sustaining fees .....	200	200
Printing, stationery and supplies .....	2,270	930
Postage, telephone and telegraph .....	1,136	1,389
Reports to shareholders .....	1,631	584
Security registration .....	100	—
Transfer agent and registrar fees .....	3,386	1,257
	<u>19,648</u>	<u>8,951</u>
Less: Interest earned .....	16	3,397
	<u>19,632</u>	<u>5,554</u>
	<u>1,420,248</u>	<u>1,406,736</u>
<b>LESS</b>		
Mine development and mine overhead on the property situated at Montauban les Mines, Quebec, from 1953 to date .....	964,643	
Administrative expenses, 1953 to date .....	337,102	
Expenses on mining claims abandoned .....	<u>29,043</u>	<u>35,724</u>
Balance, end of year .....	<u>89,460</u>	<u>1,371,012</u>

# Satellite Metal Mines Limited

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended December 31, 1967

(With comparative figures for 1966)

SOURCE OF FUNDS	1967 \$	1966 \$
Issue of capital stock .....	88,672	165,000
Sale of buildings, equipment and supplies .....	8,467	—
	<u>97,139</u>	<u>165,000</u>
APPLICATION OF FUNDS		
Investment in shares of another mining company .....	—	213
Acquisition of mining claims .....	4,794	7,379
Acquisition of options on mining properties .....	1,340	2,800
Mine development, mine overhead and administrative expenses .....	49,236	107,172
Outside exploration .....	—	10,929
	<u>55,370</u>	<u>128,493</u>
Resulting in an increase in working capital of .....	41,769	36,507
Working capital, beginning of year .....	23,907	(12,600)
Working capital, end of year .....	<u>65,676</u>	<u>23,907</u>

## NOTES TO FINANCIAL STATEMENTS

December 31, 1967

- Included in the investments are 300,000 shares of Beauce Placer Mining Company Limited costing \$60,000 (quoted market value \$21,007) which may not be sold without the prior consent of the Quebec Securities Commission.
- The Company holds an option to purchase 200 acres in the Township of Albemarle, County of Bruce, Ontario. Further payments under the option fall due as follows:

	\$
On or before August 1, 1968 .....	200.00
On or before August 1, 1969 .....	3,550.00

Upon payment of the above amounts, the Company will receive a conveyance of all mining rights to the property. Surface rights to the property may also be acquired upon payment of an additional \$20,000.

- During the year 295,572 shares were issued for \$88,672 cash.





# 1. **Company Name**

2. **Company Address**

3. **Company Phone Number**

4. **Company Fax Number**

5. **Company Email**

6. **Company Website**

7. **Company Description**

8. **Company History**

9. **Company Products/Services**

10. **Company Location**

11. **Company Contact Information**

12. **Company Financial Information**

13. **Company Assets**

14. **Company Liabilities**

15. **Company Income Statement**

16. **Company Balance Sheet**

17. **Company Cash Flow Statement**

18. **Company Management Team**

19. **Company Board of Directors**

20. **Company Future Outlook**

21. **Company Risk Factors**

22. **Company Conclusion**

23. **Company Appendix**

24. **Company References**

25. **Company Notes**